



# Missouri Drinking Water State Revolving Fund Priority Points Criteria

Water Protection Program fact sheet

9/2009

**Approved by the Safe Drinking Water Commission - Sept. 2, 2009**

## General Information

The Department must prepare annually a document called the *Drinking Water State Revolving Fund*, or DWSRF, *Intended Use Plan*, or IUP, that includes lists of proposed projects expected to qualify for financing within the fiscal year addressed by the IUP. These priority point criteria will be used to evaluate the DWSRF leveraged loan application to be addressed by the State Fiscal Year 2011. A project must be listed in the IUP to be eligible for funding. The projects must be listed in priority order.

The purpose of these priority point criteria is to list projects as to their priority order so that the most serious problems are given the highest priority. Consistent with the federal Safe Drinking Water Act, or SDWA, priorities are based primarily on protection of public health, compliance with the SDWA and household affordability.

## Assignment of Priority Points

Priority points shall be assigned only where the proposed project is intended to correct the problem associated with the points. For example, if the public water system has persistent violations of a secondary maximum contaminant level, or MCL, but the proposed project does not address that problem, the 10 points associated with persistent violations of a secondary MCL will not be assigned.

The sections on Distribution System Reliability (section II.C.2.) and Design Considerations (section II. C. 6.) are limited to a maximum of 20 points each. This is done to ensure projects addressing MCL violations are not overwhelmed by projects addressing only design considerations or distribution system problems. The 25 points available for violations of acute risk contaminant MCLs was used as the baseline in developing the priority point criteria.

Projects will be ranked by the number of points received. In the event of a tie, the project receiving the highest number of points under Distribution System Reliability and Design Considerations (sections II.C.2. and II. C. 6.) with the 20-point maximum limits lifted will receive the higher ranking. If the projects are still tied, the secondary tie-breaking criteria will be number of affordability points. The applicant with the highest affordability points will receive the higher ranking. If the projects are still tied, the third tier of tie-breaking criteria will be the number of people served. The system serving the larger number of people will receive the higher ranking. Projects that involve the refinancing of existing debt will for the purpose of priority ranking, receive priority points only for affordability.

No priority points shall be assigned to a project intended to correct deficiencies resulting from inadequate operation and maintenance of the public water system.

Priority point assignment and listing in the IUP do not guarantee that all financial and project eligibility requirements have been met.

## Priority Points

### I. Safe Drinking Water Act Compliance

Only projects for existing eligible public water systems will be assigned points under this section. See the list on page 6 of this fact sheet, *SDWA Compliance Priority Points: Existing and Anticipated Regulations* for further explanation of categories A through D below.

- A. Acute Risk Contaminants. 25 points will be assigned if there have been persistent violations of maximum contaminant levels or treatment performance criteria for acute risk contaminants (such as coliform, turbidity or nitrate) within the past 36 calendar months.
- B. Treatment Technique Requirements. 20 points will be assigned if there have been persistent violations of treatment technique requirements on the *SDWA Compliance Priority Points: Existing and Anticipated Regulations* list (such as the Surface Water Treatment Rule, Lead and Copper, etc.).
- C. Non-Acute Risk Contaminants.
  - 1. 15 points will be assigned if there have been persistent violations of any non-acute risk primary MCL within the past 36 calendar months.
  - 2. 10 priority points will be assigned if there have been persistent violations of any secondary MCL within the past 36 calendar months.
- D. Anticipated Federal Regulations. 15 points will be assigned if the proposed project will enable the public water system to comply with anticipated federal regulations identified on the *SDWA Compliance Priority Points: Existing and Anticipated Regulations* list.
- E. Compliance. 10 points will be assigned if the proposed project will enable an eligible public water system to comply with an administrative order, a bilateral compliance agreement, or other enforceable document issued by the Missouri Department of Natural Resources.

### II. Public Health

- A. Waterborne Disease Outbreak. 25 points will be assigned if a waterborne disease outbreak as declared by the Department of Health is attributable to an existing public water system and 51 percent or more of the cost of the proposed project addresses the problem(s) causing the waterborne disease outbreak.
- B. Inadequate Water Supply.
  - 1. 10 points will be assigned if an existing public water system can document its inability to consistently maintain at least 35 psi as a normal working pressure in the distribution system.
  - 2. 10 points will be assigned if an existing public water system can document its inability to consistently maintain pressures of at least 20 psi at all service connections.
  - 3. 20 points will be assigned if the private or noncommunity wells or sources in the proposed project service area are unable to consistently provide an adequate amount of potable water for general household purposes and 51 percent or more of the cost of the proposed project addresses this need. Private or noncommunity wells or sources contaminated by commercial, industrial or mining wastes will be considered in this category.

C. Public Water System Infrastructure Improvement.

**Note:** Only projects for existing eligible public water systems will be assigned points under this subsection.

1. System source reliability.

- a. 10 points will be assigned a project that addresses a need for new backup well or a backup interconnection with another public water system.
- b. 10 points will be assigned if the system has one or more improperly constructed wells.

2. Distribution system reliability. (Limited to a maximum of 20 points.)

**Reminder:** After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section II.C.6., design considerations, without the 20-point limitations. The project receiving the higher score under these two sections without the 20-point limitations will be ranked above the project receiving the lower score.

- a. 10 points will be assigned if the system has unaccounted-for water that exceeds 10 percent of the drinking water produced by the system, and the water loss is due to broken or leaking waterlines.
- b. 10 points will be assigned if the distribution system is anticipated to exceed design capacity or useful facility life within the next five years.
- c. 10 points will be assigned if the distribution system has faulty waterlines or substandard waterline materials.
- d. 5 points will be assigned if the public water system requires distribution system valves and flushing devices.
- e. 5 points will be assigned if the public water system requires looping of water waterlines.

3. Disinfection. 10 points will be assigned if a public water system is unable to maintain a disinfectant residual at all points in its distribution system.

4. 10 points will be assigned if a system has storage facilities in poor condition, not related to inadequate maintenance of the facilities.

5. Reliability of service. 10 points will be assigned if a system has water storage capacity that is less than one day's average use or lacks adequate standby power.

6. Design considerations. (Limited to a maximum of 20 points)

**Reminder:** After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section II.C.2., system distribution reliability, without the 20-point limitations. The project receiving the higher score under these two sections without the 20-point limitations will be ranked above the project receiving the lower score.

- a. 20 points will be assigned if the source or treatment facility is anticipated to exceed its useful life or if the demand is expected to exceed the design capacity within the next five years.

- b. 20 points will be assigned if a system has suffered significant degradation of the quality of the raw water supply.
  - c. 20 points will be assigned if a system has suffered significant degradation of the quality of finished water in storage.
  - d. 10 points will be assigned if a system currently does not meet existing state requirements for the treatment and/or storage of waste residues generated by the water treatment plant.
7. 20 points will be assigned if the treatment facility(ies) for required disinfection or turbidity removal are severely deteriorated and beyond the facility useful life.
8. Vulnerability.
- a. 10 points will be assigned to a water system whose source is vulnerable to natural disasters (such as flood or drought) or contamination.
  - b. 10 points will be assigned to a water system whose treatment plant is vulnerable to natural disasters (such as flood, earthquake, etc.) or contamination.

D. Wellhead and Watershed Protection. 10 points will be awarded to applicants who have a Department approved wellhead protection plan or watershed protection plan.

### **III. Affordability**

Only community water system projects will be assigned points under this section.

A. Annual Median Household Income. The statewide annual median household income levels of the state must be determined from income data from the latest census of the United States.

- 1. A community water system will use the annual median household income for the appropriate political subdivision or subdivisions encompassing its service area.
- 2. A nonmunicipal community water system will use the annual median household income for the smallest political subdivision encompassing the nonmunicipal community water system.

B. Assignment of Points. (Limited to a maximum of 25 points)

- 1. 10 points will be assigned a project sponsored by a community water system with an annual median household income below the annual median household income for either the metropolitan or nonmetropolitan area, as applicable.
- 2. From 1 to 25 points will be assigned, determined by the ratio of monthly water bill for 5,000 gallons of water to the monthly median household income for the project area to be served (expressed in percent times 10) and rounded to the nearest whole number.

For example: Monthly water bill = \$20

Annual median household income = \$24,000

Monthly median household income = \$24,000/12 = \$2,000

$(\$20/\$2000) \times 100\% = 1\%$

$1\% \times 10 = 10 \text{ points}$

#### **IV. Additional Priority Point Categories**

##### **A. Natural disasters.**

10 points will be assigned if 51 percent or more of the proposed project cost is for repair or replacement of an existing public water system damaged or destroyed by a natural disaster. In order to be assigned these points, the project must be located in an area declared a federal or state natural disaster area, and a description of the public water system damaged or destroyed by the natural disaster must be submitted along with a statement that other state or federal disaster relief is not sufficient to meet the costs of the project.

##### **B. Consolidation.**

1. 20 points will be assigned a project that provides necessary upgrades to facilities of a primary water system to continue or expand services as a regional water supplier.
2. 20 points will be assigned if the proposed project will result in the permanent supply interconnection of two or more existing public water systems, where at least one of the systems has demonstrated technical, managerial and financial capacity with respect to the national primary drinking water regulations. This would include new water systems (generally water districts), which will allow small water systems within their boundaries to consolidate.
3. 10 points will be assigned for consolidation of two or more public water systems or if the proposed project will result in a regional management system responsible for the day-to-day operation of the water system, where the management system has the required technical, managerial and financial capacity to meet the national primary drinking water regulations. If the project meets the criteria for the points under item IV.B.4., points under this criteria will not be awarded.
4. 20 points will be assigned if the proposed project will result in a new water distribution system or upgrade of an existing water distribution system to meet the standards of a regional water supplier for the purpose of consolidation.

##### **C. Security.**

10 points will be assigned for eligible security measures. Eligible security measures include vulnerability assessments, emergency response plans, fencing, security cameras and lights, motion detectors, secure chemical and fuel storage, security hatches and access panels, and cross-connection control.

##### **D. Board Training.**

10 points will be assigned if the governing body has received training related to

the operation and management of the water utility.

## **SDWA Compliance Priority Points: Existing and Anticipated Regulations**

### **I. Maximum Contaminant Levels (MCL) and Treatment Technique Requirements**

#### **Acute Risk Contaminants**

10 CSR 60-4.020 Maximum Microbiological Contaminant Levels and Monitoring Requirements, subsections (7)(A) and (7)(B).

10 CSR 60-4.030 Maximum Inorganic Chemical Contaminant Levels, Action Levels, and Monitoring Requirements, numbers 13, 14 and 15 in section (1).

10 CSR 60-4.050 Maximum Turbidity Contaminant Levels and Monitoring Requirements, subsections (2)(D) and (3)(D).

#### **Treatment Technique Requirements**

10 CSR 60-4.050 Maximum Turbidity Contaminant Levels and Monitoring Requirements, subsections (2) and (3).

10 CSR 60-4.055 Disinfection Requirements, subsection (1)(A), section (2), section (3), section (4), section (5) and section (6).

10 CSR 60-4.090 Maximum Contaminant Level and Monitoring Requirements for Disinfection By-Products, subsections (1)(D) and (4)(D).

10 CSR 60-15.010 General Requirements (lead and copper), sections (4), (5) and (6).

#### **Non-Acute Primary MCL**

10 CSR 60-4.030 Maximum Inorganic Chemical Contaminant Levels, Action Levels, and Monitoring Requirements, section (1), including the revised arsenic MCL proposed April 15, 2003.

10 CSR 60-4.040 Maximum Synthetic Organic Chemical Contaminant Levels and Monitoring Requirements, section (1).

10 CSR 60-4.060 Maximum Radionuclide Contaminant Levels and Monitoring Requirements, subsections (1)(A)-(D).

10 CSR 60-4.090 Maximum Contaminant Level and Monitoring Requirements for Disinfection By-Products, subsections (1)(A)-(C).

10 CSR 60-4.100 Maximum Volatile Organic Chemical Contaminant Levels and Monitoring Requirements, section (2).

#### **Secondary MCL**

10 CSR 60-4.070 Secondary Contaminant Levels and Monitoring Requirements, section (1).

## **II. New and Anticipated Federal Regulations**

### **Radon**

In anticipation of new standards for radon, points will be awarded for projects that will bring these systems into compliance with those standards. EPA's proposed rule was published in the Nov. 2, 1999 *Federal Register* (64 FR 59246).

### **Ground Water Rule**

EPA is developing rules to specify appropriate use of disinfection and address other components of groundwater systems. In anticipation of the Groundwater Rule, points will be awarded for projects that will bring these systems into compliance with those standards. EPA's proposed rule was published in the May 10, 2000, *Federal Register* (65 FR 30193).

### **Long-Term 2 Enhanced Surface Water Treatment Rule**

EPA's New Long-Term 2 ESWTR was published in the Jan. 5, 2006, *Federal Register* (71 FR 653). Points will be awarded for projects that will bring affected systems into compliance with the standards.

### **Stage 2 Disinfectants/Disinfection By-Products Rule**

EPA's Stage 2 D/DBPR was published in the Jan. 4, 2006, *Federal Register* (71 FR 388). Points will be awarded for projects that will bring affected systems into compliance with the new standards.

## **For more information**

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